

VOL. XXXVIII, No. 11,777.

STRAY WASHINGTON TOPICS.

THE HOT SPRINGS ITEM NOT STOLEN.
MR. ZAMACONA'S ADVENTURES AMONG THE SILVER BROKERS—APPROPRIATIONS—AN IMPORTANT SILVER BILL—MINOR NEWS.

It has finally been ascertained that the story is false that the Hot Springs item was deliberately stolen. Mr. Zamacona had a very hard time in New-York in trying to get 300,000 pesos of silver converted into gold. The Appropriation Committee of the House expects to pass all the appropriation bills by February 20. A bill for a silver dollar of 480 grains has been prepared, and is to be sent to Congress. The correspondence of the late Minister Taylor shows that he took very great interest in protecting the rights of American citizens.

UNFOUNDED SUSPICIONS.
THE HOT SPRINGS INVESTIGATION NEAR ITS END AND THE FACT THAT THERE WAS NO THEFT APPARENT.

(BY TELEGRAPH TO THE TRIBUNE.)
WASHINGTON, Dec. 24.—The Hot Springs investigation Committee held a meeting to-day and nearly completed the taking of testimony. The result has been to show that the suspicions of the Secret Service men were entirely unfounded; that innocent men have been followed and shadowed during the summer without cause; and that the most preposterous stories have been circulated about persons of good character. The report will show that the omission of the Hot Springs amendment was entirely the result of an accident. It is remarkable that more errors of that sort do not occur in the haste and confusion of the closing hours of a session.

A FACT ABOUT MR. TAYLOR.
HIS EFFORTS IN BEHALF OF HIS COUNTRYMEN VISITING IN GERMANY VERY PERSISTENT.

(BY TELEGRAPH TO THE TRIBUNE.)
WASHINGTON, Dec. 24.—The most superficial examination of the few dispatches sent from Berlin by the late Minister, Bayard Taylor, which have been published in the diplomatic correspondence, shows how unjust have been the complaints made by some German-American citizens and newspapers that he failed to demand and enforce that protection for their fellow countrymen to which, as citizens of the United States, they were entitled. No subject connected with his official duties received from him more frequent or earnest attention. Before he had been a month at his post, Mr. Taylor called the attention of Secretary Evarts to the case of Charles Ganzemüller; and the whole of his correspondence on this general subject (and it occupies more space in the volume of "foreign relations" than his dispatches on all other topics combined), shows that while he was unwilling that the naturalization laws of the United States should be taken advantage of by foreigners simply as a means of escape from the duties of citizenship in their native country, he was always ready to do everything in his power to protect American citizens, and he even interfered in their behalf when they had violated the treaty and were not entitled to protection.

A CHANCE FOR THE HOUSE.
THE SUBJECT OF SOUTHERN ELECTION FRAUDS NOW OPEN FOR DISCUSSION IN THE LOWER BRANCH OF CONGRESS.

(BY TELEGRAPH TO THE TRIBUNE.)
WASHINGTON, Dec. 24.—In consequence of the decision of the First Committee of the Treasury, referred to in last night's dispatches, that the \$200,000 appropriated during the last session cannot be used except for investigating alleged irregularities in connection with the Presidential election, members of the Teller Committee believe it will be impossible to begin their work until after the re-assembling of Congress. The whole matter will probably have to be passed upon then by the House of Representatives.

THE DOUGLAS COTTON CLAIM.
A DECISION IN THE COURT OF CLAIMS YESTERDAY IN FAVOR OF THE HEIRS.

WASHINGTON, Dec. 24.—The suit against the Government, brought by the heirs of Stephen A. Douglas, for certain cotton captured by the United States Government in Mississippi during the war and sold as abandoned property, was settled finally in the Court of Claims to-day by a judgment in favor of the claimants. This case has been pending for years, and has been the subject of much controversy, investigation and litigation. The heirs are Robert M. Douglas, United States Marshal for the Western District of North Carolina, and Stephen A. Douglas, Jr.

A TALK WITH MR. ZAMACONA.
HOW THE BROKERS AT NEW-YORK TRIED TO TAKE ADVANTAGE OF HIM—THE COMING EXCURSION TO MEXICO.

(BY TELEGRAPH TO THE TRIBUNE.)
WASHINGTON, Dec. 24.—An incident highly illustrative of the cunningness of silver as a currency, was related by Señor Zamacona, the Mexican Minister, last evening.

During the past ten days he has been to New-York, receiving the third instalment of the Mexican award money. This amounts to enough Mexican "pesos" or silver dollars to purchase \$300,000 in gold, the decision of the Claims Commission making that the standard of all payments. The brokers, aware of this fact and knowing that the money would have to be forthcoming by the 1st of January, concluded to take advantage of Mr. Zamacona's necessity and charge him their own price for the exchange. To the surprise of that gentleman, when he went to them with his silver he was informed that they would allow him only 76 cents on the dollar for it. His disgust at the proposition may be imagined. He was prepared for a large discount, but why he should be compelled to pay 8 per cent brokerage and get less than bullion is worth, more than he could see. He therefore broke the sum of the instalment into small amounts, and after much trouble in running about town from one broker's office to another, managed to negotiate the exchange at a discount of 18 per cent instead of the 24 per cent demanded at first. The instalment will therefore be promptly paid upon maturity.

Upon being asked what the prospects were of the success of the excursion of Chicago and New-York merchants to Mexico, which occurs next month, Mr. Zamacona replied that they are most flattering. Arrangements have been made by the Government to entertain the gentlemen upon their arrival. A special steamer will take them from New-Orleans, whose merchants are preparing to receive their New-York and Chicago friends in proper style, and land them in Vera Cruz in two and a half days, one-half the usual time required for the trip. Thus far about 150 gentlemen have signified their intention of making the trip.

Secretary Evarts said on Saturday that notwithstanding contrary reports, this excursion is in no way an official or formal affair on the part of the Government, although Mr. Foster has been informed of it. It was understood that Mr. Foster and the American consular officials will be very polite to the merchants, and do all in their power in an informal way to make the excursion a success.

AN INDIAN WAR TRAMPLED OUT.
CHIEF MOSES AND HIS PRINCIPAL MEN CAPTURED WITHOUT FIRING A GUN.

(GENERAL PRESS DISPATCH.)
WASHINGTON, Dec. 24.—The Indian Bureau is to-day in receipt of the following important telegram, which is being regarded with great satisfaction, as indicating that the recently imminent danger of an Indian war in Washington Territory has been averted by the action of the agents of the Interior Department and other civil authorities.

YAKIMA, W. T., Dec. 22, via the DALLAS, Dec. 23. To E. A. HATT, Commissioner: "Moses and ten of his principal men have been taken, and three of them are here in prison. They were brought to-day. The Bonanza band are getting on to the reservation as fast as they can travel. Set a gun

THE APPROPRIATION BILLS.

SOME HARD WORK BEING DONE DURING VACATION. (GENERAL PRESS DISPATCH.)

WASHINGTON, Dec. 24.—The sub-committee of the House Committee on Appropriations is engaged daily in the preparation of the Legislative, Executive and Judicial Appropriation bill, and will have it ready to report to the House on the day Congress again meets. Mr. Hewitt is also preparing the Army Appropriation bill, and will endeavor to complete it during the recess. The Appropriations Committee expects to have all the appropriation bills passed and sent to the Senate by February 20 at the furthest.

A SHORT CABINET MEETING.
(BY TELEGRAPH TO THE TRIBUNE.)

WASHINGTON, Dec. 24.—The absence from Washington of Secretaries Sherman and Evarts and Attorney-General Devens caused the Cabinet meeting to-day to be a short and very unimportant one. Of course no appointment to the Berlin Mission has been decided upon.

AN APPOINTMENT TO THE BENCH.
(GENERAL PRESS DISPATCH.)

WASHINGTON, Dec. 24.—The President will appoint Mr. Nelson, of Worcester, Mass., Judge of the United States District Court of Massachusetts, a vacancy caused by the promotion of Judge Lowell to the Circuit Judgeship. Mr. Nelson is the law partner of Senator Hoar.

A SILVER DOLLAR OF 480 GRAINS.
A COIN PROPOSED WHICH SHALL BE WORTH A GOLD DOLLAR.

(GENERAL PRESS DISPATCH.)
WASHINGTON, Dec. 24.—The following bill will be introduced in the House of Representatives after the holidays:

An act to increase the value of the standard silver dollar, make the same a legal tender exchangeable for gold coins, providing for the exchange and for other purposes.

Be it enacted, That the silver dollar of the United States shall contain the same weight and be of the same fineness as the gold dollar of the United States at the Treasury or the Sub-Treasury at New-York; provided, that when the Treasury or the Sub-Treasury at New-York shall be authorized to exchange the gold coins of the United States for silver dollars, the gold coins shall be exchanged for silver dollars at the rate of 100 gold coins for 100 silver dollars.

SEC. 2. That the silver dollar of the United States herein authorized and provided for shall be legal tender for all debts, public and private, and shall be received in payment of taxes, duties, and other obligations, and shall be received in payment of the gold coins of the United States at the Treasury or the Sub-Treasury at New-York; provided, that when the Treasury or the Sub-Treasury at New-York shall be authorized to exchange the gold coins of the United States for silver dollars, the gold coins shall be exchanged for silver dollars at the rate of 100 gold coins for 100 silver dollars.

SEC. 3. Any owner of silver bullion may deposit the same at the Treasury or the Sub-Treasury at New-York, and receive therefor silver dollars of the weight and fineness of the standard silver dollar of the United States, which shall be exchangeable for gold coins of the United States at the Treasury or the Sub-Treasury at New-York at the rate of 100 silver dollars for 100 gold coins.

SEC. 4. That the Secretary of the Treasury be authorized and directed to cause to be printed and kept in gold condition the circulars, fractional or full, circulating to the amount of \$10,000,000, of the denominations of 25 and 50 cents, which shall be interchangeable with the subsidiary coinage for convenience in the transmission of small sums of money.

SEC. 5. That the Secretary of the Treasury be authorized and directed to cause to be printed and kept in gold condition the circulars, fractional or full, circulating to the amount of \$10,000,000, of the denominations of 25 and 50 cents, which shall be interchangeable with the subsidiary coinage for convenience in the transmission of small sums of money.

SEC. 6. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

RAIDING IN SOUTH CAROLINA.
A FORCE TRAVELS 575 MILES AND CAPTURES SEVEN ILLICIT STILL.

(GENERAL PRESS DISPATCH.)
WASHINGTON, Dec. 24.—Commissioner Ramm has received detailed report from Collector Brayton, of South Carolina, of the operations carried on in Abbeville County in that State by the special revenue force, under command of Deputy Collector Hoffman, from the 3d to the 18th instant. The report shows that seven illicit stills were seized, of a capacity ranging from thirty to ninety gallons a day, and that ten illicit distillers were arrested, five in the very act. The report concludes as follows:

In accomplishing the above work the force has travelled 575 miles since November 1st, frequently both night and day with little rest. We were also put to considerable expense on account of our horses, being frequently compelled to leave our broken-down stock at the fresh horses. It affords me pleasure to add that the sentiments of the inhabitants of this locality have undergone a great change. On our arrival here we were looked upon with distrust and dislike. It was claimed that we were illicit distilling in these counties, but our discovery, the determination to enforce the law, and the character and good conduct of the men employed, have wrought a change in their feeling, and most of the better classes of citizens have expressed regret at our mission making the worst report. Through the kindness of the local authorities, we have been enabled to obtain the best whiskey supply in these lower counties, and believe ourselves to be more to these parts illicit distilling will be again begun.

WASHINGTON NOTES.
WASHINGTON, Tuesday, Dec. 24, 1878.

The subscriptions to the 4 per cent loan to-day amounted to \$1,112,000.
E. L. Pierce, of Boston, Mass., has been appointed Assistant Treasurer of the United States for the year ending June 30, 1879, and will take the office for eleven years.
To-day, in the case of James H. Whitten (an ex-employee of the United States Army), charged with having on the 6th of December presented a false claim for \$128 33 to Major Charles W. Winograd, Paymaster, United States Army, for the purchase of a horse, the Court of Claims rendered a verdict in favor of the Government, and a second lieutenant in Infantry, a verdict of not guilty was rendered.

THE MELANCHOLY HISTORY OF A LIFE.

ROGERS CITY, Mich., Dec. 24.—Eva Leroy, a young woman, was found lying in the road, badly frozen, near here last night. She was brought to town. The surgeons decided the amputation of both legs to be necessary, but she died during the operation. She was a dissolute woman, who had been driven out of Alpena without funds. Becoming exhausted, she had fallen by the roadside, where she was found. It is said that she was a native of Cleveland, and went to Detroit, where, a few years ago, she created a sensation; but afterward sank lower and lower, until no one would have her shelter.

SHOOTING IN A PIECE OF WOOD.

RED BANK, N. J., Dec. 24.—The last semi-monthly meeting for the year of the Shrewsbury Club of gentlemen shooters came off this afternoon. A piercing cold blow from the north-east, bending the fingers of the marksmen, to the manifest detriment of the scores made. The prize, a handsome gold badge, was won by Major Samuel W. Morford, of Red Bank, by a score of 12 out of 15 shots. A pretty ornament in the shape of a leather badge highly tinkered with gold is presented to the marksmen, to be worn on the left breast, in token of the honor of membership in the club. Through the kindness of Mr. Hendrickson in withdrawing on the twelfth round, Mr. Charles Stillwell will wear this trophy until the next shoot of the club.

CONFEDERATES AS JURORS.

MONTGOMERY, Ala., Dec. 24.—In the United States District Court yesterday afternoon, under an indictment of the late United States Grand Jury, were in court. Counsel interposed the plea that the indictments were void, because some of the Grand Jury had been in the Confederate Army. Judge Bruce decided to-day that the plea was not good; that the section, although in the statutes, had been repealed before the statutes were revised by Congress; and that the act of Congress making all in the book the "law" did not revive the repealed section. The cases were all postponed until Thursday.

ACTION AGAINST A LIFE COMPANY.

ALBANY, N. Y., Dec. 24.—John W. Walsh, of the Attorney-General's office, has gone to New-York to serve papers on the Empire Mutual Life Insurance Company, directing that company to show cause why a receiver should not be appointed.

MR. GEORGE LOWE KILLED.

POUGHKEEPSIE, N. Y., Dec. 24.—George Lowe, of Morrisville, N. Y., was found dead on the Hudson River Railroad track at Castleton this morning, with part of his head torn away. It is supposed that he accidentally fell from a midnight train.

THE STORM IN THE WEST.

BUFFALO DELUGED WITH SNOW. BRIEFES FOR WHICH THAT CITY IS FAMOUS COMPLETELY BLOCKADE THE CENTRAL RAILROAD.

BUFFALO, N. Y., Dec. 24.—The storm of snow and wind, which began on Sunday evening, continues with only an occasional lull, and at this time (10:30 p. m.) it is blowing almost a gale. Since Sunday afternoon snow has fallen to the depth of thirty-seven inches, and the wind at noon to-day attained a velocity of seventy-two miles an hour. The severity of the storm extends in area about ten miles east of this city.

On the Central Railroad no trains, passenger or freight, have arrived or started from the city since Monday morning, except on the Niagara Falls branch. The New-York Central train, which left New-York last night, is stalled at Lancaster, ten miles east of Buffalo, the track from there being completely blocked with snow. The drifts are in some places six to eight feet deep, and for the present all efforts at clearing it have been abandoned on account of the intense cold.

On the Erie Road 200 men were at work all night at the immense banks of snow in the vicinity of East Buffalo. The train which left here yesterday afternoon was returned to the city, and nothing has been sent out since. An attempt will be made to start the train early to-morrow. On the Lake Shore Road, through and local passenger trains are being sent out, each one of from seven to nine cars, with from four to six engines as far as Angola, beyond which the track is comparatively clear. All trains are necessarily behind time, but live on the Canada roads the tracks are clear beyond Port Erie, and there is comparatively little delay.

On the local roads traffic is almost entirely suspended. On the Buffalo, New-York and Pittsburgh Road, thirty or thirty-five engines are being kept busy clearing the tracks with snow near Ellettsville; and the express train due here at 11 o'clock yesterday is not yet seen. At the East Buffalo (Westcott) yard nothing has been shipped out since Sunday, and there are on hand at this point 150 cars of cattle, 200 cars of hogs and 30 cars of sheep. The intense cold has prevented local dealers from moving purchases made Monday.

CHICAGO ALMOST ISOLATED.
TRAINS INTERFERED WITH BY THE SNOW AND WIND—THE COLD SEVERE IN MANY PLACES.

CHICAGO, Ill., Dec. 24.—The extremely cold weather of the past few days has made it almost impossible for trains to run. Trains have been delayed as much as twelve hours on some roads, and freight trains have, in some cases, been laid up entirely. Freight trains on railroad tracks seem to become more rigid, the severity of the cold and the constant drifting of snow proving more serious than in the East.

St. Louis, Mo., Dec. 24.—The Mississippi River is closed by ice from St. Paul to Cairo.

LITTLE ROCK, Ark., Dec. 24.—To-day has been the coldest day of the season, the mercury indicating 39° at 6 o'clock p. m.

CINCINNATI, Ohio, Dec. 24.—The weather here is very cold to-day, the thermometer standing at this morning. There are several inches of snow on the ground.

DETROIT, Mich., Dec. 24.—The weather in this section has been extremely cold for the last few days, the thermometer falling as low as four degrees below zero. Snow has fallen in large quantities.

MILWAUKEE, Dec. 24.—The temperature for the past two days ranged from 5° to 8° below zero. A very high wind prevailed most of the time. The maximum velocity was forty-five miles per hour. Nearly all the railroads centering here report trouble from snow-drifts. The officials of the St. Paul Road say to-night that their road is again clear and the trains are running about on time. The Milwaukee division of the Northwestern Road has probably suffered more from drifts than other roads, and the passenger train from Chicago, which arrived at noon, was delayed until 5 p. m. by a snow-drift, but, however, and by to-morrow the trains will probably be running on time.

THE STEAMERS ON THE SOUND.

PROVIDENCE, R. I., Dec. 24.—The steamer Old Colony, for New-York, after going out from Newport last night, returned because of the heavy sea. The steamer Newport, from New-York, arrived at Newport at 6 o'clock this morning.

HEAVY SNOW STORM IN CANADA.

TORONTO, Ont., Dec. 24.—There is a heavy snow storm in the west and northwestern part of Ontario, the snow fall varying from one to three feet on the level. Trains are considerably delayed.

THE STATE OF LOUISIANA ASHORE.

FEARS THAT SHE WILL BE A TOTAL WRECK. THE VESSEL STRANDED ON THE IRISH COAST—THE CREW AND PASSENGERS SAFE.

LONDON, Tuesday, Dec. 24, 1878.
The State Line steamship State of Louisiana, Captain Johnstone, from Glasgow for New-York, grounded on Hunter's Rock when entering Lough Lorne, about seventeen miles from Belfast, this morning, and remains in a dangerous position. She is reported to have nine feet of water in her engine room. Every assistance has been sent to the vessel, and her owners hope to float her. The crew and passengers were all saved. The weather is still exceedingly foggy. The account says the steamship is likely to prove a total wreck.

Two powerful tugs and several vessels to lighten the steamship State of Louisiana have left Belfast. Nothing definite is ascertainable relative to the real condition of the vessel.

The State Line steamships sail on the outward voyage for this port, from Glasgow generally on Fridays, and call at Larne to receive passengers and freight from Belfast, Ireland, which is about seventeen miles from that place. The steamers carry saloon, second cabin and steerage passengers, and also mail. The State Line is chartered by the States of Nevada, Indiana, Virginia and Georgia.

The State of Louisiana was a sister ship to the State of Alabama and State of Minnesota, which three vessels were built for the line when it was first established, and have been running between New-Orleans and Glasgow. The State of Louisiana was transferred from New-Orleans to this port. The Louisiana was built principally for carrying freight, and had accommodations for only a limited number of passengers. She had not been employed regularly on the route, and two years ago was engaged in the China coasting trade. Austin P. Baldwin, one of the New-York agents, stated last night that he had received a dispatch this morning stating that the vessel had been wrecked, but nothing further. The dispatch shows him by the reporter of THE TRIBUNE he stated gave him information which he was not before acquainted with. As he did not know the nature of the vessel's case he could not speak definitely as to its value. The vessels of this line always stop at Larne, and the weather was foggy at the time of the accident, and he could not attribute the mishap to carelessness. These steamships had been so regular in their arrivals on certain days at each end of the line that he had begun to believe that an accident could not occur to them.

SHIPPING BURNED AT WILMINGTON.

TWO STEAMERS DESTROYED AS WELL AS A LARGE NUMBER OF STORES.
WILMINGTON, N. C., Dec. 24.—The steamer J. P. Underhill was burned at her wharf this morning. The flames spread to the steamer Northeast, and to buildings in the vicinity. Half a square was burned, including five stores, five warehouses, two steamers, two stables, five horses, 100 hogsheads of molasses, 700 tons of coal, 1,000 barrels of rosin, and a large amount of other produce, involving a total loss of \$700,000, on which the insurance follows: In the Phoenix, \$7,000; Aetna of Hartford, \$4,000; Underwriters Agency, \$4,000; German-American, \$2,000; Lancashire, \$2,000; Home of New-York, \$1,000; of New-York, \$1,000; Petersburg, \$400; Hartford, \$2,000; Atlantic, of New-York, \$1,000; Connecticut, \$3,000; and the rest of the loss is \$50,000. The fire originated from a raft lying inside the steamer.

CHRISTMAS AT OTTAWA.

OTTAWA, Ont., Dec. 24.—The usual Christmas cheer was distributed among the poor of this city to-day, 32 families being relieved. The Governor-General to-day sent the Mayor \$400 for city charities.

FACTS ABOUT RESUMPTION.

A TALK WITH SECRETARY SHERMAN. HIS EXPLICIT DENIALS OF CONGRESSMAN HEWITT'S CHARGES—NO FAVORITISM SHOWN TO ANY BANK—HOPES OF A SPEEDY REFUNDING OF FIVE-TWENTY BONDS—HIS VISIT TO THE CUSTOMS HOUSE.

In a conversation yesterday about Mr. Hewitt's charges of favoritism to the First National Bank, Secretary Sherman declared that the charges were untrue. He said that not a dollar had been deposited with this or any other bank; all had been treated precisely alike. Concerning the double interest during the remainder of the call, he showed that this was unavoidable in the operation of refunding. He expressed the hope that next year all the remainder of the 5-20 bonds would be refunded. Secretary Sherman spent yesterday at the Customs House, discussing schemes for the payment of duties.

GETTING GOLD FOR RESUMPTION.
SECRETARY SHERMAN REPLIES TO MR. ABRAHAM S. HEWITT'S CHARGES OF FAVORITISM TO THE FIRST NATIONAL BANK—THE SYNDICATE AND THE FOUR PER CENT BONDS—MR. SHERMAN HOPES TO REFUND THE REMAINDER OF THE 5-20 BONDS NEXT YEAR.

Secretary Sherman was just getting ready late yesterday afternoon to take the train back to Washington when his attention was called to the interview with Mr. Hewitt published in the third edition of THE EVENING POST, in which Mr. Hewitt repeated at some length his arraignment of the Secretary recently presented to the House for favoritism to the First National Bank in the matter of procuring the gold for resumption purposes and in funding operations. After reading it, Secretary Sherman said he thought Mr. Hewitt had, as usual, formed and expressed his opinion without hearing, reading or inquiring as to the facts. He seemed to think that in some way the First National Bank had been improperly favored.

"The very magnitude of our success," said Mr. Sherman, "in refunding and resumption, is the ground of the charge of favoritism. This charge is absolutely untrue. The sale of \$50,000,000 of bonds for resumption purposes was made to the Syndicate, not from choice, but because the banks of New-York could not, with due regard to the wants of their customers, take the bonds and furnish the gold coin the Treasury needed. The Syndicate bid the full market price and paid the actual coin precisely as they agreed. They selected the First National Bank, one of their members, as the medium of payment. I did not. It was necessary under the law to have a National bank as an intermediary in paying for the bonds, and I would have accepted any one as readily. The bonds were paid for exactly as stipulated in the contract, in actual gold coin or coin certificates or called bonds, the two latter representing actual gold coin in the Treasury. No bonds were delivered except upon full payment, and the certificate of the bank was only received when fully secured by a deposit of United States bonds."

"As to the 4 per cent bonds," continued Mr. Sherman, "their sale was and is open to all the world on the same terms. Every National bank was invited by public advertisement, often repeated, and sent in circulars to every bank and banker in the United States to become Government agents and public depositories for the sale of these bonds, with full notice that subscriptions made by them or through them by any person whatever, would be received and the amount left on deposit to await the ninety-day calls required by law. Not one dollar was deposited by the Treasury with either the First National Bank or any other bank on account of the loan, and they were treated exactly alike. They were required, without exception or discrimination, to pay into the Treasury within the duration of the current calls of 5-20s the amount of their subscription, either in coin, coin certificates or called bonds, and it is just to them to say that every subscription was promptly met without delay or loss. In the course of business most of it was paid by called bonds, thus making the refunding a remarkable success without the use of much coin. The First National Bank and National Bank of Commerce, of New-York, and the Mercantile National Bank, of Boston, were the most active and successful agents in this business, and thus their subscriptions and sales were the largest, and the amounts on deposit were larger precisely in accordance with the amount of their sales. They had no favors of the Treasury, but they rendered great service to the Government by their activity and success."

Concerning the double interest during the running of the call, complained of by Mr. Hewitt, that said Mr. Sherman, was unavoidable in the operation of refunding. The call could not be made until subscriptions were made, or were reasonably sure. This was fully settled in Secretary Boutwell's time. "Mr. Hewitt, in his interview," remarked the Secretary, "supposes a case as follows:

"Suppose a banker, in what he considered to be a favorable state of the market, takes \$100,000,000 in 4 per cent bonds. Mr. Sherman would then call them in at 100 per cent, and the banker would have to pay 6 per cent for three months, and all he has ever put up is the 6 per cent bonds."

"This is precisely the operation that the law contemplates. In the case supposed, before the end of ninety days the banker would have to pay for the bonds in gold coin or else his 6 per cent bonds would be sold and the proceeds applied to the redemption of the call. If Mr. Hewitt does not see that this is a favorable operation for the Government, he is not as shrewd a business man as I took him to be. We lose interest on the 4 per cent bonds amounting to 1 per cent, and gain interest at the rate of 2 per cent per annum for all time. I should be delighted if any banker would make the proposition for \$350,000,000 or less, as for the ninety days required by law for the call. I think it sometimes is too long, and have invited the attention of Congress to it, but now, under the law, the call must run for that time."

"I wish next year to refund the whole of the balance of the 5-20s, amounting to about \$350,000,000, on substantially the same terms; and if the Government could not do this, the two other banks would be as active as the bank named, and have been, it can be easily and readily done, and they will make their commissions, and the United States will save seven millions a year in the interest of the public debt. Perhaps this ignorant outcry by advertising free the easy way it can be accomplished. As for any abuse I may receive by fault-finding persons while they are finding out the process of refunding, I can stand it with composure, and they will learn something. If any one is really foolish enough to think that I or any officer of the Government has done any act injurious to the public interests or from improper motives, I will gladly help him in the inquiry. I must confess I am being on for six years in the open light of day upon public advertisement."

The essential points of Mr. Hewitt's interview in THE POST, to which the Secretary of the Treasury replies above, are as follows:

"The grievance is this: That the Secretary of the Treasury has exercised a discretion of his own in selecting a bank and not of the Government. This is the grievance. During the last eight months the double interest—that is, the interest on the 4 per cent bonds and on the 6 per cent bonds—paid out by the Government on the \$300,000,000 monetary average held by this bank is more than \$1,000,000. Here are the figures in THE CONGRESSIONAL RECORD: What proportion the bank has made I

FACTS ABOUT RESUMPTION.

don't know. I only know that the Government has lost the \$1,000,000."

"Do you blame the bank?"
"If he has violated the law, he is to blame. If he has not, he is not to blame. The law has been violated in the matter, and in the use of that discretion selected a method legal, but indulgent and imprudent. He also is to blame. He certainly has frequently exercised discretion. Now, I hold that Mr. Sherman should sell the 5-20s, and then it from time to time in such a manner as the law may prescribe—and in no other manner. So far as he has to do with the 5-20s, he is to blame. The question to be decided when the First National Bank makes contracts with the Government is whether the nature of a loan of the National funds to private parties. As I have said, the Government has already clearly lost at least \$1,000,000 by those transactions. Could not the Government have saved that sum? This is what I want Congress to find out."

SECRETARY SHERMAN'S VISIT.
HE DISCUSSES, AT THE CUSTOMS HOUSE, COLLECTOR MERRITT'S NEW SCHEME FOR PAYMENT OF DUTIES—HIS DEPARTURE FOR WASHINGTON.

Secretary Sherman, accompanied by Treasurer Gilliam, spent the greater part of yesterday at the Customs House. Among those who called upon the Secretary were General Hillhouse, Congressman-elect L. P. Morton, Congressman Anson G. McKoon, J. W. Seligman, and C. M. Fry, president of the Bank of New-York. During the day conference was held between Secretary Sherman, Collector Merritt, Surveyor Graham, Naval Officer Burt and Assistant-Treasurer Hutton, and the bill prepared by Collector Merritt regarding the future payment of duties. The bill provides that customs duties shall be paid hereafter by check, in lieu of coin. The proposition is that merchants shall draw checks upon their banks of deposit for duties, each check to specify the number of the entry to be passed and the precise amount of duty levied. The bank is then to issue a check for the amount of the duty, payable to the order of the Collector of the Port, which is to be presented to the cashier at the Customs House. To meet the demand for checks, banks doing such business for large importers must keep sufficient coin at the Sub-Treasury to draw upon. A law like this, Collector Merritt says, will be an advantage to the merchant, and will meet the demand made by the Chamber of Commerce, since it is claimed that it will avoid absolute safety, and will prevent the necessity of the receipting of a recurrence of such frauds as were practiced upon Benckard & Hutton by R. A. Fiedrich. Every check will be drawn on the Sub-Treasury, and the deposit of the check will be made by the Collector of the Port, and the exact amount of each entry should be kept, and no more could the amount be "raised" and made available—the check not being accepted at the Sub-Treasury before the precise duties shown by the records to be due.

The bill also contains another proposition for the convenience of merchants, and for the appointment of special commissioners or notaries public, who alone shall be authorized to administer oaths to the merchants, and to receive the duties of the notaries are to be distributed over the city so as to avoid the present necessity of merchants submitting to the Customs House. The bill has been submitted to Congressman Wood, of the Committee of Ways and Means, and it will be pressed for passage as soon as Congress meets.

Secretary Sherman also discussed, yesterday, recent and proposed Customs House regulations. He received a letter from John Thompson, president of the Chase National Bank, in which, referring to a published statement of the Secretary, he said that he did not see that the bill was not directly or indirectly the work of the Customs House. He said that he had no objection to it, and that he would be glad to see it passed. He left the city for Washington last evening.

MONTANA MATTERS.
THE NEW GOVERNMENT TELEGRAPH LINE—CROW AGENCY INVESTIGATION AND RASCALTIES. (FROM AN OCCASIONAL CORRESPONDENT OF THE TRIBUNE.)

FORT ELLIS, M. T., Dec. 9.—Lieutenant G. C. Doane, superintending the construction of the new Government telegraph line connecting Fort Ellis with Forts Custer and Keogh, Deadwood and Bismarck, writes from Custer as follows: "The work on the line from Custer to Deadwood, Keogh and Bismarck, the entire line will be working by the 25th inst., as the work was progressing at the rate of eighteen miles per day."

Lieutenant Robinson is with the "Ellis" construction party, and is rapidly setting poles and wire between "Custer" and "Keogh." An operator and signaller are ordered here, and this long needed line will soon be in full operation.

My telegram to you regarding the agents of the Crow Agency covered reliable reports. The agents did not do well, and the investigation continued. Ditches which were never built by Agent Frost, and wood and hay which were never put in (except upon paper), appear in his account against the Government, and no general report is being made. This investigation will bring out facts fully supporting all that has been charged